

RESOLUTION OF THE
PORT AUTHORITY OF THE CITY OF SAINT PAUL

**[RESOLUTION APPROVING A TAX INCREMENT PLAN AND TAKING RELATED ACTIONS
INCLUDING REQUESTING THE CITY OF SAINT PAUL APPROVE THE FORMATION OF
SUCH TAX INCREMENT FINANCING DISTRICT AND THE ISSUANCE OF GENERAL
OBLIGATION TAX INCREMENT BONDS IN CONNECTION WITH THE ST. JOSEPH'S
HOSPITAL SITE; DISTRICT 17, WARD 2]**

WHEREAS, the Port Authority of the City of Saint Paul (the "Port Authority") is proposing to establish the St. Joseph's Hospital Tax Increment Financing District (the "TIF District") within the boundaries of the Downtown Industrial Development District (the "Downtown IDD") previously established by the Port Authority and the City of Saint Paul, Minnesota (the "City");

WHEREAS, the TIF District is being established to redevelop a portion of the St. Joseph's Hospital Site (the "Redevelopment Property") currently owned by Fairview Health Services ("Fairview") and located in downtown Saint Paul at or about 69 West Exchange Street (the "Property") in the City and the boundaries of the TIF District are proposed to include the Redevelopment Property and adjacent roads and right of ways;

WHEREAS, by a separate resolution to be considered on the date hereof, the Board of Commissioners of the Port Authority will consider approving expenditures and a related interfund loan for the costs of the blight study, acquiring the Property after demolition, and consenting to Fairview demolishing buildings on the Property as contemplated by the Redevelopment Agreement (collectively, the "Expenditures") on a temporary basis from available funds, as determined by the Chief Financial Officer of the Port Authority, from which such advances, from time to time, may be legally made (the "Fund");

WHEREAS, Port Authority staff and the Port Authority's consultant, Ehlers & Associates, Inc. ("Ehlers"), have prepared a comprehensive tax increment financing plan related thereto (the "TIF Plan") and Port Authority staff and legal counsel ("Bond Counsel"), have also negotiated with Fairview (a) an Acquisition and Demolition Agreement (St. Joseph's Hospital), to be dated on or after December 1, 2025 (the "Redevelopment Agreement"), between the Port Authority and Fairview, (b) a Disbursing Agreement, to be dated on or after December 1, 2025 (the "Disbursing Agreement") between the Port Authority, Fairview, and a title company to be named as disbursing agent, and (c) a Bond Payment Agreement, to be dated on or after December 1, 2025 (the "Bond Payment Agreement"), between the Port Authority and Fairview;

WHEREAS, by this Resolution, the Port Authority is requesting that (i) the City Council (the "Council") of the City call for a public hearing on the TIF Plan and the establishment of the TIF District, and (ii) the City approve the TIF Plan and make the findings required by Minnesota Statutes, Section 469.175, Subd. 3, as amended, within sixty (60) days of the submission of the TIF Plan by the Port Authority to the City;

WHEREAS, in consultation with Fairview and Ehlers, Port Authority staff has prepared a budget for land acquisition, blight study, demolition, environmental remediation, and other tax increment eligible costs for the redevelopment of the Property (the "Project"), and the sources of funds to be used to accomplish the same, all of which is set forth in the TIF Plan;

WHEREAS, the Port Authority has performed all actions required by law to be performed prior to the establishment of the TIF District and after adoption of this resolution will notify Ramsey County and School District No. 625 (which have taxing jurisdiction over the property included in the TIF District) of the intention to create the TIF District;

WHEREAS, Port Authority staff has reviewed this proposal, all as more specifically set forth in the staff memorandum on file, and recommends approval of this Resolution; request the City to take the necessary actions to approve the TIF Plan and establishment of the TIF District; request to the City to authorize the pledge of its general obligation to secure bonds to be issued at a later date in accordance with the TIF Plan; and the execution of all documents outlined herein and in the staff memorandum, or otherwise necessary to the consummation of these transactions;

WHEREAS, Port Authority staff has recommended the issuance of approximately \$6,000,000 in original principal amount of temporary tax increment general obligation bonds (the "Bonds") in order to fund certain tax increment eligible costs identified and described in the Redevelopment Agreement and the TIF Plan;

WHEREAS, in connection with the Redevelopment Agreement and the redevelopment of the Property, Fairview also agrees in the Bond Payment Agreement to make certain payments in connection with the Bonds, including costs of issuance and the payment of debt service for a period of time as described in the Bond Payment Agreement;

WHEREAS, this Resolution also sets for the general parameters for the terms of the proposed Bonds with the specific details to be more fully described in a future resolution to be considered by the Board at a later date.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Port Authority of the City of Saint Paul as follows:

1. The TIF Plan is hereby approved and adopted. The TIF Plan shall be placed on file in the business office of the Port Authority and forwarded to the City for consideration and approval.

2. The parcels consisting of at least 70 percent of the area of the TIF District are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, in the TIF District, as shown in the TIF Plan which includes the blight study prepared by LHBcorp, are structurally substandard to a degree requiring substantial renovation or clearance.

3. The Port Authority hereby determines that there has been no significant development or redevelopment in the TIF District, the proposed development and redevelopment described in the TIF Plan and the Redevelopment Agreement are not reasonably expected to occur solely through private investment within the reasonably foreseeable future and, therefore, the use of tax increment financing is deemed necessary.

4. Subject to approval by the Council of the TIF Plan in compliance with the requirements of Minnesota Statutes, Section 469.175, Subd. 3, as amended, Port Authority staff, along with the Port Authority's legal counsel and Ehlers, is hereby authorized and directed to proceed with the implementation of the TIF Plan and for this purpose to negotiate and finalize all further plans, resolutions, documents and contracts necessary for this purpose.

5. Port Authority staff is hereby authorized to forward a copy of the TIF Plan to the Ramsey County Auditor and the Minnesota Department of Revenue pursuant to Minnesota Statutes, Section 469.175, subd. 2.

6. Forms of the following documents have been submitted to the Port Authority for review and/or approval in connection with the issuance and delivery of the Bonds and the obtaining of other funds from the City to finance the Project:

- (a) the TIF Plan;
- (b) the Redevelopment Agreement;
- (c) the Disbursing Agreement; and
- (d) the Bond Payment Agreement

(collectively the "Documents"). The Port Authority hereby approves the Documents in substantially the forms on file on the date hereof with the Board;

7. The Board hereby requests that the Council consider approval of the TIF Plan in compliance with the requirements of Minnesota Statutes, Section 469.175, Subd. 3, as amended, and take all necessary actions to approve the TIF Plan.

8. It is hereby found, determined and declared that:

(a) The Project, the execution and delivery by the Port Authority of the Documents and the performance of all covenants and agreements of the Port Authority contained in the Documents, and of all other acts and things required under the Constitution and laws of the State of Minnesota to make the Documents and the Bonds valid and binding obligations of the Port Authority in accordance with their terms, are authorized by Minnesota Statutes, Sections 469.174 through 469.179, and Sections 469.048 through 469.068 and 469.084, as amended (collectively, the "Act"); and

(b) It is desirable that the Bonds be issued by the Port Authority as described in the general terms set forth in the Documents, as applicable, Section 9 of this Resolution, and a future resolution of this Board; and

9. The Port Authority hereby designates a pricing committee (the "Pricing Committee") for the TIF Bonds. The Pricing Committee shall consist of the Chief Financial Officer or another representative of the Port Authority, the City's Treasurer or their designee, and a representative of Ehlers (the "Pricing Committee") and is hereby delegated the authority to determine the final pricing of the TIF Bonds either by negotiated or competitive sale and to authorize the Port Authority to enter into one or more Bid Forms or Bond Purchase Agreements with the initial purchaser or purchasers of the TIF Bonds (the "Bond Purchase Agreement"). The Pricing Committee is hereby delegated the authority to establish the terms and conditions of the TIF Bonds, subject to the limitations set forth in this Resolution. Subject to the parameters set forth in this Section 9 and the Ordinance, the details of the TIF Bonds shall be determined by a future resolution to be approved by the Board, including the annual amount of the tax levy to be certified to the Ramsey County Auditor (the "Auditor") with respect to the TIF Bonds. Subject to ratification by the Board by future resolution, the Pricing Committee is hereby authorized to determine the maturity dates, principal amounts of the stated maturities of the TIF Bonds, optional and mandatory redemption provisions with respect to the TIF Bonds, and such other terms of the

TIF Bonds, as the Pricing Committee deems most appropriate and in the best interests of the Port Authority, provided (i) the combined true-interest cost for the TIF Bonds shall not exceed 8.00% per annum, (ii) the final maturity date of the TIF Bonds shall be no later than three years from their initial date of issuance, and (iii) the combined original aggregate principal amount of the Bonds shall not exceed \$6,000,000 (net of any original issue discount).

10. The forms of the Documents and exhibits thereto are approved substantially in the forms submitted and on file in the offices of the Port Authority, with such subsequent changes as may be approved by Port Authority staff, counsel and Bond Counsel as contemplated by paragraph 11. The Chair and President of the Port Authority, or such other officer as may be appropriate in the absence of either the Chair or President, are hereby authorized and directed to execute the Documents (to the extent the Port Authority is a party thereto) in substantially the forms submitted, as modified pursuant to paragraph 11, and any other documents and certificates which in the opinion of Port Authority staff, counsel and Bond Counsel are necessary to the transactions herein described. The execution of any instrument by the appropriate officer or officers of the Port Authority herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof. Copies of all of the documents necessary to the transaction described shall be delivered, filed and recorded as provided herein and in the Loan Agreement.

11. The President and other officers of the Port Authority are authorized and directed to prepare and furnish to the City and Bond Counsel certified copies of proceedings and records of the Port Authority relating to issuance of the Bonds and other transactions herein contemplated, and such other affidavits and certificates as may be required to show the facts relating to the legality of the Bonds and the other transactions herein contemplated as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the Port Authority as to the truth of all statements contained therein.

12. The approval hereby given to the various Documents referred to above includes approval of such additional details therein as may be necessary and appropriate, including specifically details of the Bonds, and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the Port Authority's President and Chief Financial Officer.

13. The authority to approve, execute and deliver future amendments to the financing documents entered into by the Port Authority in connection with the issuance of the Bonds and the other transactions herein contemplated, is hereby delegated to the President of the Port Authority, subject to the following conditions: (a) such amendments do not require the consent of the holder of the Bonds; (b) such amendments do not materially adversely affect the interests of the Port Authority as the issuer of the Bonds; (c) such amendments do not contravene or violate any policy of the Port Authority; and (d) such amendments are acceptable in form and substance to Bond Counsel. The execution of any instrument by the President of the Port Authority shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof.

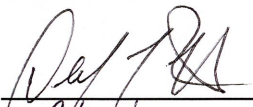
14. No covenant, stipulation, obligation or agreement contained herein or in the Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member of the Board of Commissioners of the Port Authority, or any officer, agent or employee of the Port Authority in that persons individual capacity, and neither the Board nor any officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

15. A request is hereby made that the Council consider adoption of an ordinance (the "Ordinance") in substantially the form attached to this Resolution as Exhibit A, authorizing the issuance by the Port Authority in the future of Bonds in an approximate principal amount of \$6,000,000, to be backed by the general obligation pledge of the City, and to be secured by tax increments derived from the TIF District, and otherwise in the form and with the terms set forth in such Ordinance, and in such Ordinance to specifically consent to the pledge of the full faith, credit and resources of the City to the payment of principal and interest due on such Bonds, and to the use of the proceeds of such Bonds by the Port Authority to pay for or reimburse costs of the Project and make other eligible expenditures as authorized by the Act.

16. Port Authority staff is hereby authorized and directed to work with the Council, City staff and its counsel, and the Port Authority's Bond Counsel to finalize the proposed Ordinance and all other actions and/or matters which are necessary to the City's final approval of the TIF Plan and the Bonds as contemplated by this resolution and the proposed Ordinance, and the President of the Port Authority is hereby authorized and directed to execute any and all documents that might be necessary, in the opinion of the Port Authority and City staff, and the Port Authority's Bond Counsel, to bring the Ordinance to final approval of the Council.

Approved by the Board of Commissioners of the Port Authority of the City of Saint Paul this 16th day of December, 2025.

PORT AUTHORITY OF THE CITY OF
SAINT PAUL

By 
Its Chair

ATTEST:

By 
Its Assistant Treasurer

EXHIBIT A

FORM OF ORDINANCE FOR TIF BONDS

An ordinance granting authority to the Port Authority of the City of Saint Paul to issue and sell bonds in the principal amount of approximately \$6,000,000, and any bonds to refund such bonds, to secure such bonds with a pledge of the full faith, credit and resources of the City of Saint Paul, Minnesota (the "City") and to use the proceeds derived from the sale of such bonds to pay the cost and expense necessarily to be incurred by said Port Authority for a portion of the cost of the redevelopment of part of the St. Joseph's hospital site

WHEREAS, on December 16, 2025 the Port Authority of the City of Saint Paul (the "Port Authority") adopted its Resolution No. 4843 (the "Port Authority Resolution"), approving a Tax Increment Financing Plan finding that the land commonly known as the St. Joseph's Hospital Site (the "Redevelopment Property") is blighted and marginal properties within the meaning of Minnesota Statutes, Sections 469.048 et seq., and proposing to establish and create the St. Joseph's Hospital Tax Increment Financing District (the "TIF District") within the boundaries of the Downtown Industrial Development District (the "Downtown IDD") previously established by the Port Authority and the City; and

WHEREAS, the City has authority under Minnesota Statutes, Section 469.178, Subd. 2, to issue general obligation bonds payable from tax increments of a tax increment district created by the Port Authority, and the Port Authority has authority under Minnesota Statutes, Section 469.060, to issue bonds for its purposes in anticipation of income from any source which are secured by the full faith, credit and resources of the City, and pursuant to this Ordinance, the Port Authority will issue bonds to which are pledged both tax increments derived from the TIF District and the full faith, credit and resources of the City; and

WHEREAS, under the terms of the Port Authority Resolution, the Port Authority requested the authorization of the City Council of the City (the "Council"), pursuant to Minnesota Statutes, Section 469.060, for the issuance and sale by the Port Authority of its general obligation tax increment bonds in the original aggregate principal amount of approximately \$6,000,000 (the "Bonds") and the full faith, credit and resources of the City to the payment of such Bonds, which Bonds will also be secured by tax increments to be derived from the TIF District; and

WHEREAS, the Council being duly advised in the premises, finds and determines that it is necessary and appropriate that the Port Authority issue and sell the Bonds to pay for a portion of the cost of the redevelopment of the Redevelopment Property and to pay for the costs of issuance of the Bonds; and

WHEREAS, on the basis of the foregoing, it is now the intention of the Council to grant authority to the Port Authority for the issuance of the Bonds; to prescribe the manner for establishing the amount, maturity schedule, rates of interest, and the maximum rate of interest, to be borne by the Bonds; to authorize the Port Authority to establish the date, denomination, place of payment and other details of the Bonds, including the form of the Bonds; and to authorize and consent to the pledge by the Port Authority of the full faith, credit and resources of the City to the payment of the Bonds as the same shall be issued and sold by the Port Authority, pursuant to the authority of the Act, and pursuant to the authority granted by this Ordinance.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF SAINT PAUL DOES ORDAIN:

Section 1

Authorization of Bonds. That subject to, and in accordance with, the applicable provisions, terms and conditions of this ordinance and those contained in Section 469.060 of the Act, authority is hereby granted to the Port Authority for the issuance and sale of its Bonds in the original aggregate principal amount of approximately \$6,000,000 and the use of the proceeds of such Bonds for purposes authorized by the Act. The tax increments from the TIF District shall be pledged by the Port Authority to the payment of debt service for the Bonds

Section 2

Establishing Terms of the Bonds. That the Port Authority is hereby authorized to establish the date, denomination, place of payment, form and details of the Bonds, provided that the Bonds shall be issued and sold by the Port Authority as tax exempt and/or taxable bonds in one or more series, in the manner provided and allowed by law; the Bonds shall also be secured by a pledge of the tax increments to be received by the Port Authority from the TIF District; the initial principal amount of the Bonds shall be equal to an amount sufficient to pay costs incurred in connection with the issuance of the Bonds, and to fund a reserve as necessary to allow the tax levy to be canceled as provided in Section 4 below; the Bonds shall mature in the amounts and years and bear interest at the rate or rates per annum established by the offer to purchase the Bonds which is determined to be the most favorable by a Pricing Committee comprised of one representative each from the Port Authority, the City's Office of Financial Services and Ehlers & Associates, Inc. or such other fiscal consultant as may have been retained by the Port Authority in connection with the issuance of the Bonds; and the proceeds from the issuance and sale of the Bonds as received by said Port Authority shall be used for purposes authorized by the Act. The Bonds may be made subject to redemption and prepayment at the option of the Port Authority at such time and price or prices as shall be determined by the Port Authority and approved by the Pricing Committee described above and upon such notice as is required by law. It is recognized that Section 469.060 of the Act provides that the Bonds must be in the amount and form and bear interest at the rate set by the Council, that the Port Authority with the consent of the Council shall set the date, denominations, place of payment, form, and details of the Bonds and that the Council is required to decide whether the issuance of the Bonds by the Port Authority is proper, and if so, the amount of Bonds to be issued, and that the Council is required to give specific consent in the Ordinance to the pledge of the City's full faith, credit and resources to the Bonds. The standards and delegation to the Pricing Committee set forth herein are intended as such full required action of the Council, and except as provided herein, no further approval of the Council is required for the issuance of the Bonds under Section 469.060 of the Act.

Section 3

Pledge of Full Faith and Credit. That as security for the prompt and faithful payment of both principal and interest of said Bonds the Port Authority is hereby authorized to pledge the full faith, credit and resources of the City, and such Bonds, both in respect of the principal amount of the same and with respect to the interest thereon, may be paid by the Port Authority from tax levies provided therefor and authorized by the Act.

Section 4

Tax Levy. That the Port Authority, in the event of the issuance of any said Bonds authorized hereunder, shall before the issuance of the same, levy for each year, until the principal and interest are paid in full, a direct annual tax on all the taxable property in said City, in an amount

not less than 5% in excess of the sum required to pay the principal and interest of the same when and as such principal and interest mature and, after such Bonds have been delivered to the purchasers, such tax shall be irrevocable until all such indebtedness is paid, and after the issuance of such Bonds no further action by said Port Authority shall be necessary to authorize the extensions, assessments and collection of such tax. That the Secretary of said Port Authority shall forthwith furnish a certified copy of such levy to the County Auditor of Ramsey County, Minnesota (the "County"), the county in which said Port Authority and said City are located, together with full information regarding the Bonds of said Port Authority for which the tax is levied and such County Auditor shall extend and assess the tax so levied, and shall do so annually until the principal and interest have been paid in full. That any surplus resulting from the excess levy therein provided shall be transferred to a sinking fund after the principal and interest for which the tax was levied and collected has been paid; provided, that said Port Authority may, on or before September 15 in any year, by appropriate action cause its Secretary to certify to the said County Auditor the amount on hand and available in its own treasury from tax increments derived from the TIF District, earnings or other income, including any amounts in the sinking fund, which it will use to pay the principal and interest or both on each specified issue of its Bonds and the County Auditor shall reduce the levy for that year herein provided for by that amount. That the amount of funds so acquired shall be set aside by said Port Authority and be used for no other purpose than for the repayment of the principal and interest on such Bonds. That all taxes being authorized to be levied under Minnesota Statutes, Section 469.060, as amended, shall be collected and remitted to the Port Authority by the County Treasurer in accordance with provisions of law governing the collection of other taxes and shall be used solely for the payment of such Bonds when due.

Section 5

No Further Council Action. That said Port Authority may provide for the exercise of the authority hereby granted for its issuance and sale of the Bonds in the aggregate par value amount provided in Section 2 hereof, for the aforesaid purposes, and the pledge of the full faith, credit and resources of said City, as security for the payment of the same, by its appropriate resolution, and without further action of the Council. The authority to set the maturity amounts and interest rates on the Bonds has been delegated to the Pricing Committee as provided in Section 2 hereof. That in exercising the foregoing authority, the Port Authority shall make due compliance with all applicable requirements for this ordinance, said Section 469.060, Minnesota Statutes, as amended, Sections 469.174 through 469.179, as amended, Chapter 475, Minnesota Statutes, as amended, and all other applicable laws.

The authority to approve, execute and deliver future amendments to the Plan entered into by the HRA in connection with the formation of the District and any consents required under the Plan is hereby delegated to the Interim Executive Director, subject to the following conditions: (a) such amendments or consents do not materially adversely affect the interests of the HRA; (b) such amendments or consents do not contravene or violate any policy of the HRA, and (c) such amendments or consents are acceptable in form and substance to the counsel retained by the HRA to review such amendments. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Ordinance. The execution of any instrument by the Interim Executive Director shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Interim Executive Director, any instrument authorized by this paragraph to be executed and delivered may be executed by the officer of the HRA or the City authorized to act in his/her place instead.

Section 6

Authorization of Refunding Bonds. Pursuant to and in accordance with the provisions, terms and conditions of this Ordinance and the Act, authority is hereby granted to the Port Authority to issue and sell Bonds as authorized by Minnesota Statutes, Section 469.060, in aggregate principal amounts necessary for the purpose of securing funds as needed by the Port Authority to issue bonds under this Ordinance. The principal of the Bonds may exceed the principal of the Bonds to be issued to the extent necessary and appropriate to pay interest thereon (including interest accruing as capital appreciation), to pay costs of issuing the Bonds and to allow for discount upon sale, and to fund reserves and capitalized interest for the Bonds.

Section 7

Effective Date: Nullification. That this ordinance shall take effect and be in force 45 days after the passage, approval and publication.